

City of Corunna
Regular Council Meeting
Monday, May 16, 2005

Present: Corey, Johnson, Mehigh, Runyan, Sanderson, Spring, Wagner.

Absent: None.

Guests: Joe Sawyer, City Manager; Kim Williams; Merilee Lawson, Assessor/Planner; Judy Horton; Tim Crawford, Superintendent of Public Works; Bob Ockerman; Millie Taute; Jackie Leone, The Argus Press; Geraldine Launstein; Mary Dumond; Mike O'Leary; Angelo Panos; Diane Johnson; Keith Johnson; Edythe Reineke; Mr. & Mrs. Richard Dvorak; Dave Dumond; Bob & Sheila Volek; Bob Buschman; Helen Granger, The Independent; Bill Runyan; Dick Sanderson; Cathy Cope; Sam Burwell; Joe Williams; Kevin Clark; Frank & Dawn Rodriguez; Gary Arnold, Capital Consultants; Jerry Klingler; Gary Schooley; Linda Angelo, The Flint Journal; Tami Sawyer; Tina & Jack Johnson; Chief Scott Johnson, Fire Department; Jonie & Clifford Mitts; Nina & Dave Hall; Billie Striggow; Bill Striggow; Taryn Asher, Channel 12; Channel 25 News; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Corey at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Wagner seconded to accept the previous regular meeting minutes dated May 2, 2005 as presented.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED

AGENDA APPROVAL: Johnson moved, Spring seconded to approve the agenda with the addition of Item No. 1A) Consider SATA Additional Funding, Item No. 5) Set Public Hearing for IFT Abatement for Machine Tool & Gear for June 6, 2005 at 7:15 p.m., Item No. 6) Consider Resignation of David Hilliker from the Cemetery Board, and Item No. 7) Consider Special Council Meeting for a Public Hearing for the EDC Revolving Fund for May 27, 2005 at 7:15 p.m. for Dux Boats.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Runyan moved, Mehigh seconded to approve the vendor disbursements as presented.

Roll call vote:

Yes: Runyan, Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

PROCLAMATION PRESENTATION: Mayor Corey read and presented Robert Volek with a

proclamation in recognition of his retirement from the Corunna-Caledonia Fire Department after 50 years of service. Mayor Corey also presented him with a key to the city.

CALL TO AUDIENCE: Keith Johnson stated according to a recent citizen survey, the citizenry was very content with the city's law enforcement department. He always thought it was the mayor and council's primary concern to make sure that all residents in this community enjoy a safe haven in which they wish to reside. He further stated the city has ground down sidewalks and stumps so the citizens do not trip and fall, has monitored water quality so the people do not get sick, has kept the streets clear of ice and snow so no one will crash into each other, has kept the sewers flowing so people do not suffer from bacterial diseases, and has made sure there is adequate ambulance and fire service but for some strange reason, the city council does not feel the city needs 24 hour protection. In this day of terrorism and with rising crime in all communities, somehow the council saw the wisdom in getting rid of police officers. He also stated if the council has statistics that show crime is on the decline in this community then they have been seeing different news articles than he has. It was stated that Corunna residents will enjoy the same coverage that other county residents receive from the county and state police agencies and he concurs that this is a correct statement but what the council has failed to tell the residents is both the county and state police have limited staffing for road patrols during the evening and the response time could be very lengthy. Mr. Johnson advised the county and state police would only come to Corunna immediately if the emergency is more urgent than what they are doing. If someone is breaking into his house with less than honorable intentions, he could face the possibility of waiting up to one half hour or more for help if the county or state police units are busy with various traffic accidents, actively chasing a lawbreaker, or helping with a structure fire. He further advised the county and state police have 72,543 residents, 29,740 homes, 539 square miles of land, 1,218 miles of road and 123 miles of trunk lines to look after. He should hope if something happens to a resident in this community because of the lack of police protection that this council is prepared to give rationale to that person or their family. He also advised apparently land acquisitions, developmental projects, and the allowance of booze in the park are more urgent than a police staff. The cutting of police services will give an open invitation for those who will not abide by the law and their fear of getting caught in Corunna will be greatly less.

Bob Buschman stated he sat before the mayor and council a year ago while this current year's budget was being worked on and asked if any services would be lost and was advised no the current budget would be carried through without losing any services. Now, he found out that the city would be losing police officers and this is a contradiction on what he was told last year.

Bob Ockerman stated he has the same concerns. When he came before this council about eight years ago, the budget was around \$200,000 and four years later it is a million. The council never asked for an increase or a Headlee Override and the council did not spend all the money. He further stated it seems to be going the other way now. This mayor and council from his perspective have a policy of tax and spend and that is all he has seen. There has been a nine percent increase to the citizens even with the Headlee Amendment. He also stated the city spent \$200,000 for the library building, which took two and one-half years to renovate and another \$250,000 to fix it. The city spent \$200,000 for the land acquisition on Parmenter Road and the Strawsine building had to be refurbished before it

could be sold. Mr. Ockerman advised it was easy for him to figure the city spent \$700,000 but after the sale of both the library and Strawsine buildings, he does not see any of that money being allocated back into the General Fund. The money seems to be diverted back to these specific properties. He further advised he did not understand how money could be taken from the General Fund and it seems wrong to him.

Joe Williams stated there is an art of cutting the fat before preparing a steak, which is also termed as waste by culinary professionals. If someone wants the best steak in the house, the less fat or waste there is the better the steak, but culinary professionals will also tell you that you can cut out too much of the steak in an attempt to get rid of the fat and the end result is you have less fat but less steak. He further stated his opening prelude to what he has to present to the council tonight is likened to local government and in particular the City of Corunna. Cuts are being made to the budget that in turn will give the people less government when the city should focus on cutting the fat or waste and keep the essential or good meat that make the citizens proud. He also stated he too, as a formal councilperson, finds it alarming that as an attempt to beat the political drum the council has alienated the citizens by saying things like the council is here to represent the people when in fact the officials disregard what the citizens have said they want. We tend to lose sight of the fact that ideas of cuts or future growth may not fit the mindset of the citizens but we prod along in our own circle with the officials saying Mr. and Mrs. So and So sure does not have a clue or better yet we have often heard from the inner circle that the people do not have all of the answers or if they can do a better job then they should run for council. Mr. Williams advised it is interesting that the budget is looked at and looked at and countless hours of time is spent on ways to be fiscally responsible and sometimes the frustrations get so overwhelming that advice is sought from a consultant or maybe even an accounting firm, but God forbid that we listen to the citizens who may not be active in the community. As a citizen, if the council is going to be accountable and questions are asked, do not dodge them and if the council says the city is under tight budget constraints then he can accept that as long as the council has cut the fat including cutting the fat from its own plate.

Mayor Corey announced there would be an old tire collection to help stop the West Nile Virus on June 11 from 8:00 a.m. to 12:00 p.m. at the Shiawassee County Road Commission. The cost is \$2.00 per tire without a rim and \$3.00 with a rim, semi-truck tires are \$5.00 without a rim and \$10.00 with a rim, tractor tires are \$16.00, and large tires are eight cents per pound.

7:15 P.M. PUBLIC HEARING TO CONSIDER CHANGES TO SECTION 50-139

(DISCHARGE OF FIREWORKS OR EXPLOSIVES) AND SECTION 50-142

(MANUFACTURE, POSSESSION, AND SALE OF FIRECRACKERS, ROCKETS,

SPARKLERS): Mehig moved, Sanderson seconded to leave the regular session and go into a public hearing to consider changes to Section 50-139 (Discharge of Fireworks or Explosives) and Section 50-142 (Manufacture, Possession, and Sale of Firecrackers, Rockets, Sparklers).

Roll call vote:

Yes: Sanderson, Mehig, Johnson, Spring, Wagner, Runyan.

No: None.

Motion CARRIED Time was 7:20 p.m.

Mayor Corey explained the ordinance was rewritten to be in compliance with the Michigan Penal Code Public Acts. There were no public comments. Wagner moved, Sanderson seconded to leave the public hearing and return to the regular session.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED Time was 7:22 p.m.

Runyan moved, Wagner seconded to adopt the following ordinance:

ORDINANCE NO. 05-01

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF CORUNNA, MICHIGAN, CHAPTER 50 OFFENSES AND MISCELLANEOUS PROVISIONS, ARTICLE V OFFENSES AGAINST PUBLIC SAFETY, SECTION 50-139 DISCHARGE OF FIREWORKS OR EXPLOSIVES AND SECTION 50-142 MANUFACTURE, POSSESSION, SALE OF FIRECRACKERS, ROCKETS, SPARKLERS, THEREOF.

THE CITY OF CORUNNA, MICHIGAN ORDAINS:

SECTION 1. AMENDMENT TO SECTION 50-139 DISCHARGE OF FIREWORKS OR EXPLOSIVES, OF THE CITY CODE OF THE CITY OF CORUNNA, MICHIGAN, shall be as follows:

Sec. 50-139. Discharge of fireworks or explosives.

No person in the City shall *discharge, manufacture, possess, store, or sell fireworks which are not in accordance with the Michigan Penal Code, Act 358, Public Acts 1968, as amended, being Sections MCL 750.243a, 750.243b, 750.243c, 750.243d and 750.243e; and subject to Chapter 86 Zoning and Chapter 18 Businesses, Article V. Peddlers and Solicitors, Sections 18-161 through 18-1910 of the City of Corunna Municipal Code. In addition to the above cited laws and regulations, the discharge of fireworks as therein defined as "Class C Fireworks" shall only be upon private property and must have the permission of the property owner. The discharge of fireworks on public property shall only be allowed with a permit obtained from the City of Corunna Chief of Police or other individual as designated by the Chief Administrator of the City.* ~~explode any fireworks or explosives without written permit from the city council.~~

SECTION 2. AMENDMENT TO SECTION 50-142 MANUFACTURE, POSSESSION, SALE OF FIRECRACKERS, ROCKETS, SPARKLERS, OF THE CITY CODE OF THE CITY OF CORUNNA, MICHIGAN, shall be as follows:

Sec. 50-142. ~~Manufacture, possession, sale of firecrackers, rockets, sparklers.~~

~~It shall be unlawful for any person in the city to manufacture, keep, store, sell or give away any firecrackers, squib, sky rocket, Roman candle, torpedo, sparkler or other fireworks, nor shall any person discharge or set off the same without a permit from the city council.~~

SECTION 3. Severability.

This Ordinance and the several sections, sub-sections, paragraphs, clauses and parts thereof are hereby declared to be severable. If any part or clause thereof is declared or adjudged invalid by present or future legislation or decree, the balance of the Ordinance shall not be affected thereby.

SECTION 4. Conflicting Ordinances Repealed.

All Ordinances previously adopted and incorporated in the Code of the City of Corunna, Michigan, through codification procedures, or any existing Ordinances that are inconsistent with the provision of this Ordinance are hereby repealed, and in the case of inconsistencies, to the extent of such inconsistency, are hereby repealed.

SECTION 5. Copies Available.

This Ordinance may be purchased or inspected in the City Clerk's Offices, Monday through Friday, between the hours of 9:00 a.m. and 4:30 p.m.

SECTION 6. Effective Date.

This Ordinance shall take effect pursuant to the Corunna City Charter, immediately upon publication hereof.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehigh, Runyan, Spring.

No: None.

Motion CARRIED

CONSIDER RESIGNATION OF DAVID HILLIKER FROM THE CEMETERY BOARD:

Wagner moved, Sanderson seconded to accept the resignation of David Hilliker from the Cemetery Board effective May 17, 2005 with regret.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED

CONSIDER SPECIAL COUNCIL MEETING FOR MAY 27, 2005 AT 7:15 P.M. TO

CONSIDER EDC REVOLVING FUND FOR DUX BOATS: Johnson moved, Runyan seconded to set a special council meeting for May 27, 2005 at 7:15 p.m. to hold a public hearing at 7:15 p.m. for the Economic Development Fund for Dux Boats.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

SET PUBLIC HEARING FOR AN IFT ABATEMENT FOR MACHINE TOOL & GEAR FOR

JUNE 6, 2005 AT 7:15 P.M.: Johnson moved, Wagner seconded to set a public hearing for June 6, 2005 at 7:15 p.m. to consider an IFT Abatement for Machine Tool & Gear.

Roll call vote:

Yes: Runyan, Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

7:30 P.M. PUBLIC HEARING – CONSIDER ADOPTION OF 2005/2006 TAX RATES

(TRUTH IN TAXATION), CONSIDER ADOPTION OF 2005/2006 ANNUAL BUDGET AND CONSIDER ADOPTION OF FEE SCHEDULE: Johnson moved, Wagner seconded to leave the regular session and go into a public hearing to consider the adoption of 2005/2006 tax rates (Truth in Taxation), consider adoption of 2005/2006 annual budget and consider adoption of fee schedule.

Roll call vote:

Yes: Sanderson, Mehigh, Johnson, Spring, Wagner, Runyan.

No: None.

Motion CARRIED Time was 7:30 p.m.

Bob Buschman asked if all of the council could say that if the budget is approved that there will not be a reduction of services next year. Mayor Corey advised when the council proposes a budget, it is done on expectations and if Mr. Buschman can predict with certainty what is going to happen in his life for the next 365 days then let him know because things change, things happen or do not happen. A budget is like a living document and it can change as the year goes by with budget amendments. Mr. Buschman advised he understood that but certain employees were given raises last year with the anticipation that services might have to be cut. Mayor Corey advised there was no anticipation and the pay raises or step increases that these individuals received were part of the budget and no one has stated that the council was going to do this or that there would be a shortfall. A budget was planned but things happened during the year that the council did not anticipate. Edythe Reineke asked if anybody got a wage increase in the new budget. Mayor Corey advised there is a salary freeze this year except for the contracted employees. A new position was created but there are not any existing employees who are not frozen this year. Ms. Reineke stated it struck her as interesting because she looked at the salaries and noticed in 2001 that Mr. Sawyer started at about \$41,000, in 2002/2003 he went up to \$56,500, which was \$15,500 more, and in 2003/2004 he went up to \$63,388 so he got another \$6,888 but in the meantime, the police chief did not do so well. In 2003, the police chief got \$47,086 and the following year he got \$47,150, which was only \$64.00 and she thought that was interesting. Mayor Corey stated the council that hired Mr. Sawyer did it on an interim basis with a review at six months. The council did an evaluation on him at that time and adjusted his pay schedule. Mayor Corey further stated what council has attempted to do over the last two or three years is to do a salary comparison study to put everybody in line with similar cities with similar taxable values to come up with a comparable wage study. Ms. Reineke advised the police chief's wage did not even go up with the rate of inflation; it only went up \$64.00. Bill Runyan asked why the city has to compare itself with somebody else and why the city cannot do what it has to do within its own city. Mayor Corey stated he felt comparable wages and comparable towns need to be looked at because there are some that are just totally off the chart. Competitive wages need to be looked at for the services that you get and if you do not look at competitive wages, you may get what you deserve. Mr. Runyan stated you might get ahead of the game too. Mayor Corey advised if the only concern is the dollar that is spent and not the quality of the city, not the view of what will happen next year and if the long range planning is only 365 days, Mr. Runyan might be right. Keith Johnson asked how the Pine Tree Perpetual Care Fund figure was established. Mr. Sawyer advised 50 percent of

all lot sales go into that fund. Mr. Johnson asked if that figure is maintained. Mr. Sawyer advised the fund is up substantially because Shauna Bayless and Tim Crawford have increased lot sales. There was a significant jump in lot sales this last year. Mr. Johnson stated his problem is that the city is not keeping up with the perpetual care monies and he just wondered if the council considered doing something. The cemetery needs a lot of maintenance and this administration is not going to catch up with it anymore than the next one but the city is going to have to start funding it sometime so the cemetery can be cleaned up to look nice. Bob Ockerman stated there was talk about Truth in Taxation and when he sat on the council for four years, this has always bothered him. The city has 13.3 mills for operating, .5 mills for the library and a little bit for SATA that was just voted on. He further stated eight or nine years the city voted for five mills that was dedicated strictly for water and sewer so this town is actually paying 18.8 mills but it is never reported that way. The city is taxed as high as everyone in the area so it is not like this town is not paying its fair share and this has been done over and over and over again through the years and he felt this should be corrected in the papers. Merilee Lawson advised the City of Corunna has the third lowest millage rate in Shiawassee County. The millage rate for Corunna is 38.5984, Durand is 45.3875, Laingsburg is 44.7885, Owosso is 36.1714, and Perry is 39.4204. Mr. Ockerman asked if the five mills were included in the total. Ms. Lawson advised everything is included in the millage rate. The City Improvement Fund is dedicated for city improvements and the millage rate started out at five mills and is now at 4.8664 and the operating millage started out at 15 mills and is now at 13.3928 and for 2005 it will be 13.3044. Gary Schooley stated something that the council obviously did not do with last year's budget was to take a look at the economy and how it was dropping in the state. He asked if the council looked at the economy this year so the council has a more realistic approach. Mayor Corey advised the council had a realistic approach last year and knew the economy was dropping and if Mr. Schooley wanted to look at those kind of figures, he suggested that he look at the state where the legislature passes a budget in July and when it takes effect on October 1st, there is already a shortfall. Mr. Schooley stated he cannot do anything about the state. Mayor Corey advised unfortunately this affects the city. Mr. Schooley advised that is why he wanted to know if this is what the council was looking at. Mayor Corey stated what has not been put in the budget is the anticipation of revenue sharing reductions. Right now, the Senate Appropriations Committee has a sub-committee that has recommended a five-percent statutory reduction in revenue sharing. He further stated when money is taken out of the revenue sharing, the state does not reinstate the money the following year and he does not know if this will happen again this year. He has written the city's state senator who is on the Senate Appropriations Committee urging him not to vote for a five-percent reduction in state revenue sharing. Mr. Schooley stated the odds are good that the city will lose some more money. Mayor Corey advised the city does not know the answer to that. Jonie Mitts asked why the city would not take the money out of the budget if the city did not think it would get it. She does not understand that kind of philosophy because if she ran her home based on that she might win the lottery but did not know for sure she would be bankrupt. Mayor Corey advised he would not compare a potential revenue sharing cut that has not even hit the senate or house floor with buying a lottery ticket to run your household because it is not even comparable. The best guess is the state will not cut revenue sharing but the council might be wrong. Ms. Mitts advised the council did that last year and lost. Mayor Corey advised the revenue sharing was not cut last year. Ms. Mitts asked what happened last year. Mayor Corey stated the council anticipated a retirement that did not happen and the

council anticipates things based on the information it has at the time. If the council had a crystal ball and could absolutely predict something for 365 days, it would do it. Mehigh moved, Johnson seconded to leave the public hearing and return to regular session.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIE Time was 8:00 p.m.

Mayor Corey stated there is a request from SATA for more money and he did not know if council wanted to go there. The city residents voted for a maximum of .2325 mills and the city's obligation to SATA based on their budget was \$12,585.85 so the city levied .2211 mills to cover the obligation. He further stated SATA is now requesting an additional contribution from the city in the amount of \$1,412.95 because they have a 13 percent shortfall. If the city were to levy the maximum millage of .2325 mills, it would bring in approximately \$650.00 more so council needs to decide which way they want to go. Councilperson Johnson asked Councilperson Spring if he knew the SATA request was coming. Councilperson Spring advised he had no idea but he was not at the last meeting. Councilperson Johnson asked if they would have contacted him with that information. Councilperson Spring advised he would assume so. Mr. Sawyer advised Mr. Buschman was present at the last SATA meeting. Mr. Buschman advised he was at the meeting and no approval was made to do anything so he did not know this was coming either. Mayor Corey stated the request has not been authorized by the SATA board. Mr. Buschman advised not at the last board meeting that he has been at and he has not missed any meetings in two years. Councilperson Johnson stated so this came from Mr. Alpert. Mr. Buschman stated he knew there was going to be a shortfall because Owosso Township and Vernon Township are not participating. If the shortfall is shared amongst all of the participating agencies, the city's share if they were to be asked would be \$1,412.95. He further stated the board did not tell Mr. Alpert to ask the city council for extra money; the board asked Mr. Alpert to provide the city council with next year's projected deficit. Mr. Buschman advised he did not know where the numbers the city council received came from because he was at the board meeting and it was not there. Councilperson Runyan stated if the city goes with the maximum millage of .2325, the city's share would still be about \$1,000 short of what SATA is asking for. Mr. Sawyer advised Mr. Buschman has stated the board did not actually request an amount. Councilperson Runyan stated he was on the SATA board for four years and the board knew three years ago that the grants that SATA were getting would depreciate every year until it became self-sufficient. When SATA asked the city for the millage, the city council asked where the \$77,000 shortfall in their budget was and no one could give the city council an answer. He further stated SATA has to set a budget but they do not know where the loss is so it does not appear they are following their budget very well. They should have anticipated that the grant money would depreciate and they could have notified all of the participating units what their amount would be if certain units dropped out but this did not happen. He also stated he does not know what the answer is and the city council realize the people in the City of Corunna use this service but he did not think the city should throw money in when the city council has not been provided proof of why more money is needed. Councilperson Mehigh asked if the by-laws require a vote of the board before they ask for millage or funds from local governments. Mr. Buschman advised that was correct. Councilperson Mehigh asked if the board did that. Mr. Buschman advised the shortfall was brought up

and the board knew the shortfall would be around \$9,000 but the board instructed Mr. Alpert to go through the budget prior to the next meeting and make cuts anywhere to make up the difference and the board would decide what to do at the June meeting. The board also instructed Mr. Alpert to contact each of the governments and tell them what the projected deficit for next year would be. Councilperson Mehig stated there was no vote taken to ask the governments to participate. Mr. Buschman advised no. Councilperson Spring stated he has been in contact with Mr. Alpert in regards to the budget. There has been an increase in service and expenses and the grant money is slowly diminishing from the State of Michigan and based upon this it would make more sense to do some cuts to try to get the budget it has to work with, but instead of making cuts, more busses were purchased. Councilperson Spring further stated the SATA board went to the citizens and asked for an increase in their millage and upon getting the increase more busses were purchased, which more than likely going to mean millage increases continually until SATA is reorganized. There is a reorganization committee in place that is looking at other funding possibilities but the way the state economy is going and the way grant monies are going local area assistance is going to increase every year. Mr. Buschman stated that was correct and in reference to the bus purchases, the federal government provides 20 percent, the state provides about 60 percent and local contributing funds have to equal the remaining 20 percent cost of vehicle purchases. In order to get those busses, they have to be funded because a vehicle can only be kept for a certain number of miles or years whichever comes first so new busses have to be applied for every year. He further stated matching funds have come up so the local contribution has to be at least seven percent. Councilperson Spring stated so this is something that will continue until the reorganization committee comes up with some other funding mechanism. Councilperson Sanderson asked where SATA was at on its reorganization. Councilperson Spring advised there have been three meetings and he does not see this as being something that will have a quick solution. When there was talk about going from an agency to an authority, there was discussion that it would be done in a year's time frame and he could see this being the case because there are a lot of different issues. Councilperson Sanderson asked if each community participating in SATA was being asked to chip in or if Corunna was the only community being asked. Councilperson Spring advised this was something that he has never seen so he has no idea if other agencies were being asked. Councilperson Sanderson stated so Corunna is actually paying for Vernon and Owosso Township's share that they do not want to pay anymore. Councilperson Spring stated he would assume the amount would be spread amongst the remaining entities but he has no idea because this was the first time he has seen the letter from SATA. Councilperson Sanderson stated SATA badgered the city council pretty hard to get the millage passed and now they pull this and he does not understand. Councilperson Runyan stated it is up to the city council to make a decision to either leave the millage where it is at right now or change the millage to the maximum that the citizens voted for but there will still be a \$1,000 shortage. Councilperson Wagner stated he thought the city council should leave the millage as originally voted on at the special election because the figure given to the city at that time was .2211 mills, which is \$12,585.85 and that would be his vote. Wagner moved, Johnson seconded to authorize in the Truth in Taxation .2211 mill, which would give the city \$12,586. Councilperson Mehig stated if the city gives SATA what they originally asked for, could the city be held hostage by not picking up its citizens and not allowing the citizens to plan ahead. He does not want to be held hostage and he would like the representatives to find this out. Councilperson Spring stated the question that comes up

repeatedly on this is what is considered participating. Since SATA is asking for an additional amount of money and the city does not provide that money, then will SATA list Corunna as non-participating and increase the rates to its citizens. Mayor Corey advised Mr. Alpert's letter states that it is strictly voluntary on the part of the council.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED

Runyan moved, Wagner seconded to adopt the following 2005/2006 general fund budget in the amount of \$1,494,723 as presented:

RESOLUTION TO ADOPT THE BUDGET

WHEREAS, The City Charter of the City of Corunna states that "Not later than the third Monday in May the Council shall, by resolution, adopt the budget for the next fiscal year and shall in such resolution appropriate the money required for such budget and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes...."

NOW THEREFORE BE IT RESOLVED, that the budget appropriations for the City fiscal year beginning July 1, 2005 after recommendation by the City Manager and as adopted by the City Council as follows:

		<u>REVENUES</u>	<u>EXPENDITURES</u>
General Fund		\$1,494,723	
<u>Dept. #</u>	<u>Dept. Name</u>		
101	City Council		\$33,256
172	City Manager's Office		\$97,209
203	Internal Services		\$69,887
215	City Clerk's Office		\$25,786
253	City Treasurer's Office		\$0
255	City Clerk/Treasurer's Office		\$83,220
257	Assessment Review		\$65,219
262	Elections		\$4,000
265	Municipal Building		\$54,516
301	Police		\$315,874
302	Crossing Guard		\$2,278
336	Fire		\$55,853
441	Public Works		\$252,353
458	Construction Projects		\$0
721	Planning Commission		\$1,650
751	Parks & Recreation		\$64,764
752	McCurdy Park Community Center		\$22,170
754	Summer Rec. Baseball/Softball		\$22,374
756	Mitchell Fields		\$2,194
803	Historical Commission		\$1,268
806	Activities and Events		\$6,750
851	Insurance and Risk Management		\$20,711

861	Retiree's Benefits	\$100,627
967	City Services	\$192,763
TOTAL		\$1,494,723

BE IT, the same is hereby adopted, and the amount therein provided as recommended; appropriations are hereby appropriated according to the departmental totals.

BE IT FURTHER RESOLVED, that in order to carry out the provisions of the above described budget, the following tax rate shall be applied to the completed assessment roll with a taxable valuation of 56 million, 512 thousand, 351 dollars as approved by the City of Corunna Board of Review, and as required by Michigan Constitution, and be applied to all properties subject to the Industrial Facilities Taxes which have a complete assessment roll valuation of 805 thousand, 420 dollars at one half the tax rate.

Total City Tax Levy for General Fund Purposes July 1, 2005 = 13.3044 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment. Total City Debt Tax Levy for City Improvements July 1, 2005 = 4.8342 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment. Total City Debt Tax Levy for the Community District Library July 1, 2005 = 0.4967 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment. Total City Debt Tax Levy for Public Transportation July 1, 2005 = 0.2211 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

BE IT FURTHER RESOLVED, to adopt the following budget appropriations:

INDEPENDENT REVENUE FUNDS

Pine Tree Perpetual	150	\$5,500
Major Street Fund	202	\$305,140
Local Street Fund	203	\$211,383
Fire Equipment Capital Fund	206	\$44,000
Fire Operations Fund	207	\$132,228
Parks Improvement Fund	208	\$221,300
Cemetery Fund	209	\$42,000
Municipal Building Fund	213	\$52,044
Stu Coutts Recreation Fund	214	\$5,100
Forest Management Fund	215	\$4,500
Heritage Park Fund	216	\$3,500
Fourth of July Commission	220	\$24,300
Softball Commission	223	\$37,060
Historical Commission	224	\$15,000
Economic Development	244	\$153,732
City Improvements Fund	245	\$319,333
Building/Zoning Fund	249	\$22,750
1996 Equalization Facility Bonds Payable Fund	365	\$44,680
1996 G.O. Limited Tax-Bonds Fund	366	\$114,000
1998 MTF Bonds Payable	368	\$21,780

2000 G.O. Limited Tax Bonds	370	\$86,640
2001 G.O. Limited Tax Bonds	372	\$56,667
2005 G.O. Limited Tax Bonds	374	\$85,736
2005-2 G.O. Limited Tax Bonds	375	\$761,771
Kingsley/McArthur Construction Fund	412	\$15,240
Streetscape Construction Fund	413	\$6,000
Bridge Construction	414	\$2,500
North Shiawassee Construction Fund	415	\$0
Sewer Lining / Manhole Rehab	417	\$1,294,700
Ferry Street Pump Station	418	\$1,291,700
Industrial Development Fund	422	\$54,403
Waste Water Collection Fund	590	\$597,869
Water Fund	591	\$588,697
Motor Vehicle Pool Fund	661	\$147,979
Tax Collections Fund	703	\$2,652,847

BE IT FURTHER RESOLVED, that the City Manager as Chief Administrative Officer be allowed to exceed any line item within any specific department or fund including both revenues and expenditures providing that the total end of the year expenditures titled “Total” or “Grand Total” for the department or fund at issue does not exceed the original appropriation, and if the total department or fund appropriation should exceed either of the above prior to such exceeding, the City Council must make a supplemental adjustment to the appropriation.

Roll call vote:

Yes: Sanderson, Wagner, Mehigh, Runyan, Spring.

No: Johnson.

Motion CARRIED

Mayor Corey read the changes to the fee schedule for sewer and water rates. Runyan moved, Mehigh seconded to adopt the new sewer and water fee rates as presented.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF ACTING CHIEF OF POLICE: Councilperson Johnson stated Mr. Sawyer was going to get more information from other departments and asked if this was done. Mr. Sawyer advised Jon Wilson has no interest in stepping in and he contacted Durand but never heard back from them. Mr. Sawyer further advised he did not contact any other agencies outside of Durand or the county. Councilperson Mehigh asked Mr. Sawyer if he had any other information he wanted to bring up about any discussion he had with Owosso. Mr. Sawyer advised the recommendation from Mr. Burlingame was relayed to Owosso so they should be adding it to the contract and encouraged the city council to add the same verbiage. Mr. Sawyer further advised any approval made by council should be contingent upon approval on the independent contract by the City of Owosso. Councilperson Johnson stated she felt \$34 was a lot of money to pay for a man who is the public safety officer for the City of Owosso and that is why they pay him that money and advised she would not vote yes on it. Councilperson Mehigh stated if he understood correctly, this is the rate of pay he is paid by Owosso and there are no premiums involved

or additional costs. Mr. Sawyer advised this is his straight time pay without any benefit considerations and it is additional hours outside of his regular work day. Councilperson Runyan stated if everything is looked at like it was too much money then nothing would ever get done in this city because everything the council looks at is too much money. Mehig moved, Sanderson seconded to approve the contract with Mike Compeau with the recommended changes by the city attorney.

Roll call vote:

Yes: Runyan, Wagner, Spring, Sanderson, Mehig.

No: Johnson.

Motion CARRIED

CONSIDER PROJECT UPDATES – GARY ARNOLD, CAPITAL CONSULTANTS: Gary

Arnold from Capital Consultants gave council an update on seven city projects. The King Street project, which was done last year, has finally been closed out by the Michigan Department of Transportation. The Shiawassee Street bridge had its last review audit done by the state the last week in April and it is anticipated that file will be closed out in about 30 days. He advised the city has four projects underway with the Michigan Economic Development Corporation, which involve grants from the State of Michigan. The sewer lining project is the first project that has been authorized and will be accomplished this summer. The Brady Street boat launch and the Ferry Street pump station projects are in the process of completing an environmental review for both of those projects. He further advised environmental clearance is anticipated within the next 30 to 45 days. The city received notification that the Michigan Economic Development Corporation will fund a parking lot project downtown. He also advised a meeting has been scheduled with the Michigan National Guard for Wednesday at 2:00 p.m. to extend the sanitary sewer down W. Corunna Avenue in front of the road commission and potential new armory site. Mr. Arnold informed the audience that the city will receive \$1.5 million dollars in grants, which is excellent and is more than any other city in the state has received from this program. Mayor Corey advised this is one of the reasons that the city has to be competitive because without competitive salaries the city will not get these kinds of grants.

CALL TO AUDIENCE: Sam Burwell advised earlier during the budget discussion someone

stated there was a shortfall because of an expected retirement that did not happen and asked what department the retirement was from. Mayor Corey advised the police department. Mr. Burwell asked if there was money in the budget to fund a replacement officer for that retirement. Mr. Sawyer advised the position was funded for six months. Mr. Burwell stated the city was looking at a full-time person retiring from the police department and not hiring a replacement so his question is how was that not considered a cut in services. Mayor Corey advised it did not happen. Mr. Burwell advised if it had happened, the budget would have been fine and asked how this would not have been a cut in services. Mayor Corey advised the council anticipated not knowing what was going to happen. Mr. Burwell stated after Mr. Buschman's question earlier, he did not think that was an acceptable answer.

Bill Strigow stated he did not want the council to take offense to this but asked the council as a whole if they were all done with all of the loony tunes with the police

business. Mayor Corey advised he did not know what that meant. Mr. Striggow stated the council as a whole retired the chief, hired an assistant part-time, and now they hired a chief from Owosso. He reads the paper and thought he should start reading the comics and asked if he would be reading any more comics. Mayor Corey advised Mr. Striggow what he reads in the paper is not always 100 percent accurate and if he is getting 100 percent of his validity of what he knows out of the paper, he might want to rethink that. Mr. Striggow advised he reads two papers and they pretty much coincide. Mayor Corey asked council if they wanted to answer the question about being done with the loony tunes.

Dave Dumond stated he has been in business and finance all of his life. When he was on the city council, he fought the budget all of the way. He further stated he knew this was a sour apple for a lot of people, but encouraged the people to go home and sit down with the figures because this city has to find some money somewhere. This is a county seat, it has a large school system and a state police post in the city and asked how many people in these facilities are actually residents of this city and pay to use their toilets, and drive on the city streets that are plowed so they can come to work. He also stated he worked in Lansing for almost 15 years and every one of his checks had a city income tax of one-half of one percent taken out so he paid for the plowing of their streets so he could get to work and paid for using their bathrooms while he was there. Mr. Dumond advised people look at an income tax and say oh my God but for the people who own a house in Corunna, it might not cost them anymore than it does right now. It does not cost any of the people who drive into the city with their fancy cars to work in the court building, county jail, courthouse, road commission and all of the schools in the system a damn cent. He further advised one-half of one percent for a non-resident and one percent for a resident and senior citizens will not affect them hardly at all. If the property taxes are reduced and he was not saying they would be, it might not cost the residents anymore than it costs right now and this is something the city council needs to think about. He also advised the people who drive to Flint to work should look at their checks because they pay the City of Flint or Flint Township one-half of one percent.

Judy Horton stated the city is now heading in the direction the city needs to head in. The city has to get industry and businesses to help defray the taxes. She further stated she does not want to lose police coverage anymore than anybody else does but something has to be done. Maybe the gentleman from Owosso will get big bucks for a short period of time but hopefully, he can help the city get everything straightened out. She also stated she does not want to pay more taxes and neither does anybody else. Councilperson Runyan was on the council when her ex father-in-law was on the council and no one wanted to do anything. Now, the city is doing things and she thinks it is great.

Mary Dumond asked what could be done to stop the sparklers, firecrackers or fireworks in the park during the Fourth of July that has hundreds of people. Mayor Corey advised the city just did something. The ordinance does not allow any kind of fireworks or sparklers except on private property unless there is a permit issued by the city. Ms. Dumond stated just before she left home the news reported that Lansing has to cut \$600,000 in the police department and Saginaw just cut six or seven people so everybody is in the same boat. Mayor Corey advised it was his understanding that Saginaw cut eight officers, Lansing cut 16 or 19 officers, and Birch Run cut five part-time officers so it is happening all over and

the city is not unique in the lack of revenues. Ms. Dumond commended the council for not backing down from a few citizens that buck everything that is going on in the city.

Merilee Lawson asked Mayor Corey if he wanted to make a positive announcement to these people about Machine Tool and Gear. Mayor Corey advised no but he would like to make a positive announcement about all of the grants the city is getting. No offense to the press because the city is glad to have them here but it is remarkable that a city of this size has gotten over \$1.2 million dollars worth of grants and it takes something like the police department for the local and further distance away press to show up.

Janet Washburn stated she was a former councilperson who sat on the council for 13 years and she commends the council for the way they have taken the city and moved it forward. Her only regret when she sat on the council was that the council did not have the tools to do things. She further stated a lot of what was done was done by the heart and how the council wanted to perceive the city to be and the city is now becoming a part of the overall community. The city has paved streets and no horse and buggies even though some people might want to go back to that but people cannot live that way anymore because this is the computerized age and the city has to look forward and forget about all the negative things that are going to happen. She also stated people should all join together and be a part of the community. People should help each other out and have community watches or neighborhood watches. Ms. Washburn advised people need to decide if they want to be a part of this and want to be a solution or if they are part of the problem and that is the plain and simple question. She further advised she has always felt that if people come before a body because they have a problem with what is going on then those people better have some part of the solution and she commended the council for all of the hard work they have done. The council has put a lot on the line but the city is moving so far forward so fast that it could give someone a headache. She also advised she has watched this happen and she does think anyone understands how much time and effort this particular council has put into the effort of moving the city forward with the best interest of everybody in the community. Ms. Washburn stated people should start looking towards having a full cup instead of looking at all of the negative things that may or may not have been said. She thanked everyone for being here tonight.

ROUNDTABLE DISCUSSION: Councilperson Mehig advised he had nothing to discuss.

Councilperson Spring advised as a former police officer it was hard for him to cut any police officer and this was probably one of the hardest decisions he has ever had to make. Several late night budget meetings were spent going over 200 pages of budget and data material and it is all online. He further advised if someone has a question, go online and take a look at the budget. The thing that upsets him the most about this entire process is that he shows up to these meetings and an average of two people show up and everybody else gets their information from the newspaper or by word of mouth from somebody else. He asked people to come to a meeting because there is so much positive things going on in this city and there is so much data available for people. A citizen advisory committee has been created and surveys have been sent to the citizens to get their input on things but all of this seems to get pushed aside and the only thing people know about that goes in this city is what they read in the newspaper or hear at the donut shop. Councilperson Spring

stated it is sickening that it takes a crisis like this to actually get people to care enough to come to a meeting and he wished he could see this more often.

Councilperson Runyan stated he had to agree with Councilperson Spring 100 percent. He wanted to refer back to Ms. Horton's comment about him being on the council in the 1970's. Councilperson Runyan advised he remembers that the city could have gotten a \$30,000 grant for the park and all the city had to do was have \$10,000 to get the grant but the city did not have the \$10,000. Times were tough back then and he made a vow then that this would never happen in this city again if he could help it. He further advised a city improvement fund was created and the purpose was to put money in the fund every year so the city would never lose another grant. Getting \$1.2 million dollars in grant money in one year is a great achievement and this is probably more money than the city has gotten ever since it was incorporated. He also advised he wanted to take his hat off to the staff and mayor who have been involved in this. The council has tried to look out for what they think is in the best interest for the people in the city but nobody is perfect and mistakes are made but making a mistake is a tool to learn from and he believes council is working that way.

Councilperson Wagner advised he had nothing to discuss.

Councilperson Sanderson thanked Mr. and Mrs. Dumond for the comments they made as well as Ms. Washburn. He stated the majority of the people sitting here right now are people that are grateful for what this council has done and the negative people have already left and that is not right. He asked why these people do not stay and listen to the whole picture. He further stated there is not one person on this council that is looking for personal glory but are here to help the city and he thought the council has done a damn good job of it. He addressed Bill Striggow about the loony tunes police business and stated he thought one particular writer was looking for an award from the associated press for digging up dirt. He felt all of this would have died down and could have been solved and gotten over with a long time ago. Mr. Striggow stated probably so.

Councilperson Johnson stated she wanted to personally thank Bob Volek because she has known him for 22 years and when he was the fire chief, he was such a role model to his men and as a firefighter's wife she wanted to thank him.

Mayor Corey stated he does not know anyone who has served 50 years or has gone back as far as when fire was invented but Mr. Volek certainly has exceeded anybody in the history of this city and anybody that will in the future.

ADJOURN: Sanderson moved, Wagner seconded to adjourn.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED Time was 8:40 p.m.

STEVE COREY, MAYOR

YVONNE F. LONG, CITY CLERK